

RICARDO WATER SUPPLY CORPORATION  
Regular Meeting Minutes  
December 1, 2021

Board Members Present:

Baldemar Garcia  
Oliver Hinojosa  
Frank Escobedo  
James Fischer  
Robert Garza  
Tim Robertson

Board Members Absent:

Robert Zavala

Staff Present:

John Marez  
Jo Ella Wagner  
Frances De Leon  
Nigel Gomez

Guests Present:

None

1. Call to Order.

Board President Baldemar Garcia called the Regular Meeting of the Ricardo Water Supply Corporation Board of Directors to order at 5:30 p.m. A quorum was present.

2. Citizen comments.

Mr. Garcia opened the floor to citizen comments. No comments were made.

3. Approval of Minutes.

Mr. Escobedo made a motion to approve the minutes of the October 5, 2021 Regular Meeting as presented. Mr. Robertson seconded. All voted in favor of approving the minutes as presented.

4. Treasurer's Report/Payment of Bills.

The following financial reports were presented for Board review and approval:

Treasurer's Report as of September 30, 2021

Account Activity for General Account for September 1, 2021 to September 30, 2021

Account Activity for Operations Account for September 1, 2021 to September 30, 2021

TEXPOOL Participant Statement for 09/01/2021 – 09/30/2021 for General Account

TEXPOOL Participant Statement for 09/01/2021 – 09/30/2021 for Membership Deposit Account

TEXPOOL Participant Statement for 09/01/2021 – 09/30/2021 for USDA Reserve Account

TexSTAR General Account Statement for 09/01/2021 – 09/30/2021

Water Loss Computation – July 9, 2021 through August 9, 2021

Water Loss Computation – August 9, 2021 through September 8, 2021

Water Loss Computation – September 8, 2021 through October 7, 2021  
Water Loss Computation – October 7 2021 through November 9, 2021

The following bills were presented for payment:

STWA Invoice S21-156	\$28,447.80
September 2021 Water Usage, Water Cost and Handling Charge	
STWA Invoice S21-157	\$17,721.89
September 2021 General and Administration	
STWA Invoice S21-162	\$ 9,172.13
September 2021 Taps and Repairs	
STWA Invoice S21-164	\$ 908.05
Payroll expense for Part-time employee July, August and September 2021	
STWA Invoice S21-166	\$ 396.07
Payroll expense for Standby Pay for July 7, 2021 through September 29, 2021	
STWA Invoice S21-168	\$ 1,324.42
Reimbursement for Fiber optic phone service (06/19/20 through 09/19/21) and High Touch Technology support (07/01/21 through 09/30/21)	
STWA Invoice S21-175	\$27,799.56
October 2021 Water Usage, Water Cost and Handling Charge	
STWA Invoice S21-176	\$18,998.27
October 2021 General and Administration	
STWA Invoice S21-181	\$13,524.78
October 2021 Taps and Repairs	

A motion was made by Mr. Robertson and seconded by Mr. Hinojosa to approve the Treasurer's Report and payment of the bills. The motion carried.

5. Fiscal Year 2021 Budget Amendments.

Mr. Marez reviewed the proposed Fiscal Year 2021 Amended Budget which reflected a Revenue increase of \$132,082 of which \$53,415 is related to the TxDOT reimbursement. Total Operating Expenses increased by \$48,827.50 and overall Net operating income increased by \$83,254 from the original adopted budget.

Mr. Fischer made a motion to approve the Fiscal Year 2021 Budget Amendments. Mr. Garza seconded. All voted in favor.

6. Proposed Fiscal Year 2022 Budget and retail water rates.

The Board reviewed a proposed Fiscal Year 2022 Budget based on the current rates along with three additional scenarios with various monthly minimum and thousand-gallon rate increases. Mr. Garcia stated that he preferred to maintain the current rates. Ms. Wagner also recommended keeping the current rates.

7. Resolution 21-04. Resolution adopting the recommended Fiscal Year 2022 Budget.

Mr. Robertson made a motion to adopt the Fiscal Year 2022 Budget based on the current monthly minimum of \$41.00 on a 5/8" meter and water rates of \$4.25/1000g up to 20,000 gallons and \$4.45/1000g over 20,000 gallons. Mr. Escobedo seconded and all voted in favor.

8. John Womack & Co., P.C. Letter of Engagement for auditor services.

The Board reviewed the John Womack & Co., P.C. Letter of Engagement in the amount of \$5,575 for auditor services for a basic audit of RWSC's financial statements for the year ended December 31, 2021. After reviewing the letter, Mr. Escobedo made a motion to accept the engagement letter for FY 2021 audit services with John Womack & Co., P.C. in the amount of \$5,575. Mr. Garza seconded the motion. All voted in favor.

9. Correction of Title/Job Function for John Marez.

Mr. Marez stated that at the July meeting, the RWSC Board approved him as General Manager of RWSC. At the October 5, 2021 RWSC meeting, Mr. Zavala pointed out that Mr. Marez was appointed General Manager contingent on STWA hiring Mr. Marez as Executive Director and questioned the validity of the previous Board action since Mr. Marez is serving as Administrator for STWA. Mr. Marez added that at their most recent meeting, the RWSC Board voted not to confer the title of General Manager to Mr. Marez. He asked that the Board determine whether to remove the job title to match the concern of having the Water Supply Corporations' title of General Manager be in sync with STWA's designation as Executive Director. He added that despite the Board's action, he will continue to do the job and daily operations would continue. The Board took no action.

10. Annual Meeting Schedule and Election Procedures.

Mr. Marez stated that per State requirements, the Board must review Election Procedures for the Annual Membership meeting. The positions currently held by Mr. Escobedo and Mr. Hinojosa are up for election in April of 2022. He presented TRWA's Election Procedures 2021 Changes and reviewed the following recommended changes:

1. The COVID-19 letter has been updated with TRWA's current advice on holding meetings during the ongoing pandemic.
2. Language was stricken from page 4 of the TRWA Elections Procedures which previously allowed board candidates' personal information to be kept confidential.

He also presented the timeline and schedule for the 2022 Annual Membership Meeting and asked for approval to proceed with the schedule and to incorporate the recommended changes in the

Corporation's Election Procedures. The Board reviewed the proposed schedule and the notice to members on submitting an application for the RWSC Board of Directors. Mr. Robertson made a motion to authorize incorporating the changes into RWSC's procedures, to approve mailing of the presented documents and proceed with the recommended schedule. Mr. Hinojosa seconded. All voted in favor.

11. All matters pertaining to TxDOT Upgrades on US 77/I69.

Mr. Marez presented documents supplied by TxDOT pertaining to the upgrades on US 77/I69. He reported that he has been communicating with engineers from LNV, TxDOT staff and Max Underground management on this project. The project is set to begin November 15, 2021 and expected to end by January 15, 2022. However, Max Underground has indicated that they will need three weeks for arrival of some material. TxDOT has indicated that this will not hinder the project as long as everything is in place by March 15<sup>th</sup>. No action was taken by the Board.

12. TCEQ Notice of Total Trihalomethane Violation and public notification to customers.

Mr. Garcia and other Board members stated that they had not received any complaints regarding the violation notice sent out to customers. Mr. Marez reported that the next samples will be collected on December 8<sup>th</sup> and Mr. Gomez added that some adjustments have been made at the pump stations and flushing is being performed more frequently but at lower volumes continuously throughout the month. TRWA also provided training recently and looked at the RWSC mapping and suggested tying into other waterlines to keep water flowing. Mr. Marez commented that O&M Supervisor Dony Cantu has resigned and Mr. Gomez is filling in for him until someone is hired.

13. Update on repair of leak on transmission line on CR 1030 and update on replacement of line.

Mr. Gomez reported that the area of the leak needs to be cleaned up once the ground is dry. He added that the property owner, Joe Garcia, has stated that he does not want the culvert but the neighboring property owner has indicated that he wants the culvert installed. Staff will add this to the schedule.

14. Update and discussion of RWSC Emergency Preparedness Plan.

- Ardurra Proposal for Engineering Services

Mr. Marez stated that the documentation needed to complete the Emergency Preparedness Plan is extremely complex and many water providers have outsourced the task. He added that Ms. Wagner requested a bid from Ardurra for completion of the document. He presented Ardurra's quote in the amount of \$5,620 and recommended entering into the agreement. Mr. Escobedo made a motion to approve Ardurra's proposal in the amount of \$5,620. Mr. Robertson seconded. The motion passed unanimously.

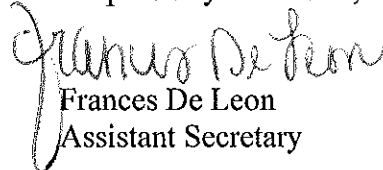
15. Purchase of materials to build up RWSC stockpile of materials due to stagnation in PVC production and transportation issues.

Mr. Marez reported that over the last few months, staff has noticed an increased cost and scarcity of materials in the water utility industry including shortages of PVC pipe, fittings, valves and similar materials. The Corporation's supplies remain in adequate amounts, but there is a delay of 1 ½ to 8 months in delivery of materials. He requested that the Board consider authorizing staff to look into purchasing materials to serve as a stockpile to ensure the availability of materials for repairs and other projects. He added that a Houston manufacturer is available to provide materials more quickly but at a steep price. The Board agreed that staff should move forward with researching cost and availability of material for presentation at a future meeting.

16. Adjournment.

With no further business to conduct, Mr. Hinojosa made a motion to adjourn the meeting at 6:26 p.m. Mr. Robertson seconded and all voted in favor.

Respectfully submitted,

  
Frances De Leon  
Assistant Secretary